

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application

of

PARADISE MERGERSUB, INC., GTE
CORPORATION, VERIZON HAWAII INC., BELL
ATLANTIC COMMUNICATIONS, INC., AND
VERIZON SELECT SERVICES INC.

For approval of a merger transaction and related
matters

Docket No. 04-0140

PUBLIC UTILITIES
COMMISSION

SEP 3 3 04 PM '04

FILED

PARADISE MERGERSUB, INC., GTE CORPORATION, VERIZON HAWAII INC., BELL
ATLANTIC COMMUNICATIONS, INC., AND VERIZON SELECT SERVICES INC.'S
SUPPLEMENTAL RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S
SECOND SUBMISSION OF INFORMATION REQUESTS (CA-IR-79, CA-IR-84 & CA-IR-85b)

AND

CERTIFICATE OF SERVICE

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SELECT SERVICES INC.

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COMES NOW, Paradise MergerSub, Inc., GTE Corporation, Verizon Hawaii Inc., Bell
Atlantic Communications, Inc., and Verizon Select Services Inc., by and through their respective
attorneys, hereby submit their Supplemental Responses to the Division of Consumer
Advocacy's Second Submission of Information Requests (CA-IR-79, CA-IR-84 & CA-IR-85b).

DATED: Honolulu, Hawai'i, September 3, 2004.



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PARADISE MERGERSUB, INC., GTE CORPORATION, VERIZON HAWAII INC., BELL
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SUPPLEMENTAL RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S
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CA-IR-79 **Ref: Application, Exhibit 6.**

Please provide historical actual Verizon Hawaii long distance customer/revenue data in the following categories for **each** quarter of 2001, 2002, 2003 and 2004 to-date, calculated on a basis consistent with the financial projections (buildup rows):

- a. Number of residence long distance customers (lines).
- b. Number of business long distance customers (lines).
- c. Residential LD revenue.
- d. Business LD revenue.

**Supplemental
Response:**

[Verizon Response]: As a supplement to this response, see Supplemental Attachment CA-IR-79, which updates the Verizon Long Distance customer, lines and revenues in Hawaii with quarterly 2001 and 2002 information and is filed confidentially under Protective Order. The attached does not include Verizon Hawaii Inc. toll information.

Sponsor: Stephen E. Smith - Verizon

**PARADISE MERGERSUB, INC., GTE CORPORATION, VERIZON HAWAII INC., BELL
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SUPPLEMENTAL RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S
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CA-IR-84 Ref: Application, Exhibit 6.

Please explain the derivation of "SAB 101 Revenues" within the model underlying Exhibit 6, at row 538 of the buildup sheet and provide historical data illustrative of Verizon actual comparable experience in each quarter of 2003 and 2004 to-date.

Supplemental

Response: **[Verizon Response]:** As a supplement to this response, the following is Verizon's actual quarterly SAB 101 revenues for 2003 and first quarter 2004.

Debit/(Credit)

<u>Acct Code</u>	<u>2003 Qtr 1</u>	<u>2003 Qtr 2</u>	<u>2003 Qtr 3</u>	<u>2003 Qtr 4</u>	<u>2004 Qtr 1</u>
506050	(341,622)	(22,703)	(989,436)	(3,885,363)	(448,353)
508305	(945,840)	580,318	61,901	506,405	369,915
508606	(61,832)	(32,638)	(12,756)	330	19,671
524016	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenue					
Total	(1,349,294)	524,977	(940,291)	(3,378,628)	(58,767)

Sponsor: Nancy Heuring - Verizon

PARADISE MERGERSUB, INC., GTE CORPORATION, VERIZON HAWAII INC., BELL
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The following information requests refer to the Financial Model Expense Projections:

CA-IR-85 Ref: Application, Exhibit 6, Description Of Schedules, page 3, Operating Expenses.

- b. What has been Verizon Hawaii's historical rate of cost growth associated with wage rates and employee benefit cost loadings in the years 2002, 2003 and 2004, to date?

Supplemental Response:

As supplement to this response, the following are the Employee Benefit Cost Loadings (i.e., not a growth rate):

2002 – [REDACTED]
2003 – [REDACTED]
2004 to date – [REDACTED]

[Portions of the above response have been redacted as confidential subject to Protective Order No. 21034.]

Sponsor: Rick Wiley - Verizon

CERTIFICATE OF SERVICE

I (we) hereby certify that copies of the foregoing document were duly served on the following parties, by having said copies delivered as set forth below:

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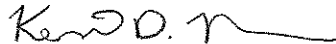
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DATED: Honolulu, Hawai'i, September 3, 2004.



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